

SENATE BILL 3113
By Atchley

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 52, Part 3, relative to payment in lieu of taxes on the property and operations of electric systems owned by local government.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-52-302(a), is amended by deleting the language "any such payments, but not to repeal any other provisions of such private acts or charters or parts thereof" and by substituting instead the language "such payments."

SECTION 2. Tennessee Code Annotated, Section 7-52-304, is amended by deleting the language "or in the provisions of any private act or home rule or metropolitan government charter"; by adding the word "and" at the end of subsection (4); by deleting subsection (5) in its entirety; and by redesignating the current language in subsection (6) as subsection (5).

SECTION 3. Tennessee Code Annotated, Section 7-52-306, is amended by deleting the following language:

Nothing in this part shall have the effect of impairing in any way the obligations of the parties under any existing contract for such distribution in effect on July 1, 1987, or invalidating any established arrangement for such distribution in effect on July 1, 1987, and all such contracts and established arrangements are hereby expressly validated.

For purposes of this part, an established arrangement is one under which the municipality has made a distribution payment to another taxing jurisdiction by general understanding, and the payment has been accepted by the taxing jurisdiction for the fiscal year or calendar year immediately preceding the fiscal year beginning July 1, 1987.

SECTION 4. Tennessee Code Annotated, Section 7-52-307, is amended by deleting the language "except to the extent otherwise provided in any contract, established arrangement

authorized or validated under § 7-52-306, or distribution provisions of any private act or home rule or metropolitan government charter”.

SECTION 5. Tennessee Code Annotated, Section 7-52-309, is deleted in its entirety.

SECTION 6. Tennessee Code Annotated, Section 7-52-310, is amended by deleting the language “except as herein otherwise expressly provided,”.

SECTION 7. This act shall take effect July 1, 2004, the public welfare requiring it